

Sandoval County Board of County Commissioners

Agenda Item Summary

AGENDA ITEM # 4-2-15.8

1. REQUESTED MOTION

ACTION REQUESTED:

Adopt Resolution No. 4-2-15.8 Authorizing the Issuance and Sale of the Sandoval County, New Mexico, General Obligation Bonds, Series 2015, in the Principal Amount of \$5,250,000

WHY ACTION IS NECESSARY (Summary):

This resolution authorizes the sale of general obligation bonds authorized at the November 4, 2014 election to provide funds for the libraries (\$3,250,000) and emergency communication equipment (\$2,000,000). Distribution of the \$3,250,000 for the 14 libraries is based on population and will be used to purchase books and resources, including equipment, upgrades and improvements. The \$2,000,000 will be used to acquire emergency communication equipment.

2. REQUESTOR

COMMISSIONER SPONSORED: YES NO

DISTRICT: DISTRICT 1 DISTRICT 4
 DISTRICT 2 DISTRICT 5
 DISTRICT 3

DIRECTOR / ELECTED:

DIVISION:

ELECTED OFFICE:

ATTACHMENTS: YES NO

3. MEETING DATE

April 2, 2015

4. AGENDA (To be completed by County Manager)

- PROCLAMATION
- PRESENTATION
- CONSENT
- REGULAR
- APPEAL

5. RECOMMENDATIONS

Recommend Board of County Commission approval.

6. FISCAL IMPACT

None

7. RECOMMENDED APPROVAL (Initials & Date)

Department Director/Elected Official	Human Resources	Purchasing	Attorney As to Form BC/rv 3/26/15	Finance Budget CCH 3/26/15	County Manager PPR 3/27/15	Other
_____	_____	_____				_____

8. COMMISSION ACTION

Approved Denied Deferred Other

EXCERPT FROM A PUBLIC MEETING
OF THE BOARD OF THE COUNTY COMMISSIONERS
OF SANDOVAL COUNTY

The Board of County Commissioners (the "Board") of Sandoval County (the "County"), in the State of New Mexico, met in regular session in full conformity with law and the rules and regulations of the Board in the Commission Chambers at 1500 Idalia Road, Building D, Bernalillo, New Mexico, on the 2nd day of April, 2015, at the hour of 6:00 p.m. Upon roll call, the following Commissioners were found to be present:

PRESENT: Chair: _____

 Vice Chair: _____

 Commissioners: _____

ABSENT: _____

ALSO
PRESENT: _____

SANDOVAL COUNTY, NEW MEXICO
RESOLUTION NO. 4-2-15.8

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF THE SANDOVAL COUNTY, NEW MEXICO, GENERAL OBLIGATION BONDS, SERIES 2015, IN THE PRINCIPAL AMOUNT OF \$5,250,000 PAYABLE FROM AD VALOREM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE COUNTY, LEVIED WITHOUT LIMIT AS TO RATE OR AMOUNT; PROVIDING FOR THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF AND SECURITY FOR PAYMENT; PROVIDING FOR THE SALE OF THE BONDS TO THE UNDERWRITER AND THE PRICE TO BE PAID BY THE UNDERWRITER FOR THE BONDS; AND PROVIDING FOR OTHER DETAILS CONCERNING THE BONDS.

WHEREAS, at a general obligation bond election duly called and held for Sandoval County, New Mexico, (“County”) on the 4th day of November, 2014, the electors of the County authorized the Board of County Commissioners (“Board”) to contract bonded indebtedness on behalf of the County and upon the credit thereof by issuing general obligation bonds of the County to secure funds for the following purposes in the following amounts:

<u>Purposes:</u>	Amount Authorized <u>At Election</u>	Amount Previously <u>Issued</u>	Amount To Be <u>Issued</u>
Securing funds for the purchase of library books and resources, including equipment, upgrades, and improvements for libraries.	\$3,250,000	-0-	\$3,250,000
Securing funds for the purpose of acquiring and installing emergency communication equipment.	\$2,000,000	-0-	\$2,000,000

WHEREAS, the Board has determined and does hereby determine that it is necessary and in the best interest of the County and the inhabitants thereof that the \$5,250,000 general obligation bonds authorized at the election (the “Bonds”) be issued at this time; and

WHEREAS, the Board has received an offer to purchase the Bonds from Robert W. Baird & Co., Incorporated as underwriter of the Bonds (the “Underwriter”) pursuant to the Bond Purchase Agreement; and

WHEREAS, there has been on deposit with the County Clerk and presented to the Board:

- (A) the proposed form of Bond Purchase Agreement;
- (B) the proposed form of Continuing Disclosure Undertaking; and
- (C) the Preliminary Official Statement;

and

WHEREAS, the Board has determined and does hereby determine that the Bonds shall be issued at this time under the authority of the New Mexico Constitution and applicable law as hereinafter set forth, and desires to fix the form and details of the Bonds and to provide for the levy of taxes for the payment of the principal of and interest on the Bonds; and

WHEREAS, the net effective interest rate on the Bonds is not more than ten percent (10%); and

WHEREAS, no action or suit has been commenced by any person or corporation contesting the validity of any of the proceedings directed toward the issuance and sale of the Bonds heretofore taken by the Board and the officers of the County.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SANDOVAL COUNTY, NEW MEXICO AS FOLLOWS:

Section 1. All actions heretofore taken by the Board and the officers and employees of the County directed toward the issuance and sale of the Bonds to secure funds for the purpose stated above be, and the same hereby are, ratified, approved and confirmed, including the sale of the Bonds to the Underwriter pursuant to the Bond Purchase Agreement.

Section 2.

A. In order to provide funds for the purposes stated above, the Board, on behalf of the County and upon the full faith and credit thereof, shall issue the County's general obligation bonds maturing and bearing interest as follows:

Year Maturing (August 1)	Principal Amount Maturing	Interest Rate
2015		
2016		
2017		
2018		
2019		
2020		
2020		

2021
2022
2023
2024
2025
2026
2027
2028
2029
2030

B. The Bonds shall be dated the date of their delivery (herein the “Series Date”), will be issued in one series and shall consist of bonds numbered consecutively from R-1 upward, issuable in the denomination of \$5,000 each or integral multiples thereof (provided that no individual bond will be issued for more than one maturity); shall bear interest from the Series Date to maturity at the rates per annum set forth above for the Bonds, payable to the registered owner thereof, or registered assigns, on August 1, 2015, and semiannually thereafter on February 1 and August 1 in each year in which the Bonds are outstanding and shall mature on August 1 of each year set forth above. The Bonds shall be sold by a private sale to the Underwriter pursuant to the Bond Purchase Agreement at the price established in the Bond Purchase Agreement which is hereby ratified and approved.

C. Bonds which are reissued upon transfer, exchange or other replacement shall bear interest from the most recent interest payment date to which interest has been fully paid or provided for in full or, if no interest has been paid, from the Series Date.

D. The principal of and interest on the Bonds due at maturity shall be payable to the registered owner thereof, as shown on the registration books kept by BOKF, NA dba Bank of Albuquerque as the registrar/paying agent (the “Registrar/Paying Agent”) for the Bonds, upon maturity and upon presentation and surrender thereof at the principal office of the Registrar/Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by the Bond until the principal thereof is paid in full. Payment of interest on the Bonds (other than at maturity) shall be made by check or draft mailed by the Registrar/Paying Agent (or by such other arrangement as may be mutually agreed to by the Registrar/Paying Agent and such registered owner), on or before each interest payment date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the registered owner thereof as of the close of business on the Record Date (defined below) at the address as it appears on the registration books kept by the Registrar/Paying Agent. All such payments shall be made in lawful money of the United States of America. The term “Record Date” as used herein with respect to any interest payment date shall mean the 15th day of the month preceding the interest payment date. The person in whose name any Bond is registered at the close of business on any Record Date with respect to any interest payment date shall be entitled to receive the interest payable thereon on such interest payment date notwithstanding any transfer or exchange thereof subsequent to

such Record Date and prior to such interest payment date; but interest on any Bond which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name such Bond is registered at the close of business on a special record date (the "Special Record Date") fixed by the Registrar/Paying Agent for the payment of any such overdue interest. The Special Record Date shall be fixed by the Registrar/Paying Agent whenever moneys become available for payment of overdue interest, and notice of any such Special Record Date shall be given not less than ten days prior thereto, by first-class mail, to the registered owners of the Bonds as of the fifth day preceding the mailing of such notice by the Registrar/Paying Agent, stating the Special Record Date and the date fixed for the payment of overdue interest.

E. The Bonds maturing on and after August 1, 20__ shall be subject to redemption prior to maturity at the County's option in one or more units of principal of \$5,000 on and after August 1, 20__, in whole or in part at any time, in such order of maturities as the County may determine (and by lot if less than all of the Bonds of such maturity is called, such selection by lot to be made by the Registrar in such manner considered appropriate and fair) at a redemption price equal to the principal amount of the Bonds or portions thereof to be redeemed plus accrued interest, if any, to the date fixed for redemption.

Section 3. The Bonds shall constitute the general obligation bonds of the County, payable from general ad valorem taxes in amounts sufficient to meet the semi-annual payments of interest and annual payments of principal on the Bonds maturing in each year. The full faith and credit of the County shall be, and hereby is, irrevocably pledged to the payment of the principal of and interest on the Bonds.

Section 4. The Bonds shall bear the manual or facsimile signature of the Chair of the Board and shall be attested by the manual or facsimile signature of the Sandoval County Clerk. The Bonds shall be authenticated by the manual signature of an authorized officer of the Registrar/Paying Agent. The Bonds bearing the signatures or facsimile signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the County, notwithstanding that, before the delivery of the Bonds and payment therefor, or before the issuance thereof upon transfer or exchange, any or all of the persons whose signatures appear on the Bonds shall have ceased to fill their respective offices. The Chair of the Board and the County Clerk shall, by the execution of a signature certificate pertaining to the Bonds, adopt as and for their respective signatures the facsimiles thereof appearing on the Bonds; and, at the time of the execution of the signature certificate, the Chair of the Board and County Clerk may each adopt as and for his or her facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears upon any of the Bonds. If required for execution of the Bonds, the Chair of the Board and the County Clerk, pursuant to Sections 6-9-1 through 6-9-6, NMSA 1978, shall each forthwith file his or her manual signature, certified by him or her under oath, with the Secretary of State of New Mexico, provided that such filing shall not be necessary for any officer where any previous filing shall have application to the Bonds.

No Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly executed by the Registrar/Paying Agent. The Registrar/Paying Agent's certificate of authentication shall be deemed to have been duly executed by it if signed by an authorized officer of the Registrar/Paying Agent, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 5.

A. Books for the registration and transfer of the Bonds shall be kept by the Registrar/Paying Agent, which is hereby appointed by the County as registrar and as paying agent for the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver, not more than three business days after receipt of the Bond to be transferred, in the name of the transferee or transferees, a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver, not more than three business days after receipt of the Bond to be exchanged, a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment by the owner of any Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

B. The person in whose name any Bond shall be registered on the registration books kept by the Registrar/Paying Agent, shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided with respect to payment of overdue interest as is provided in Section 2 hereof; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

C. If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar/Paying Agent shall, upon receipt of the mutilated Bond and such evidence, information or indemnity relating thereto as it may reasonably require and as may be required by law, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or

numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar/Paying Agent may pay such Bond in lieu of replacement.

D. The officers of the County are authorized to deliver to the Registrar/Paying Agent fully executed but unauthenticated Bonds in such quantities as may be convenient to be held in custody by the Registrar/Paying Agent pending use as herein provided.

E. Whenever any Bond shall be surrendered to the Registrar/Paying Agent upon payment thereof, or to the Registrar/Paying Agent for transfer, exchange or replacement as provided herein, such Bond shall be promptly cancelled by the Registrar/Paying Agent, and counterparts of a certificate of such cancellation shall be furnished by the Registrar/Paying Agent to the County.

F. Notwithstanding the above provisions of this Section, the Bonds may be issued or registered, in whole or in part, in book-entry form from time to time with no physical distribution of bond certificates made to the public, with the Depository Trust Company of New York, New York (the "Depository"), acting as securities depository for the Bonds. A single certificate for each maturity date of the Bonds issued in book-entry form will be delivered to the Depository and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in authorized denominations, with transfer of ownership effected on the books of the Depository and its participants (the "Participants"). As a condition to delivery of the Bonds in book-entry form, the Underwriter will, immediately after acceptance of delivery thereof, deposit, or cause to be deposited, the Bond certificates with the Depository, registered in the name of the Depository or its nominee. Principal, premium, if any, and interest will be paid to the Depository or its nominee as the registered owner of the Bonds. The transfer of principal, premium, if any, and interest payments to Participants will be the responsibility of the Depository; the transfer of principal, premium, if any, and interest payments to the beneficial owners of the Bonds (the "Beneficial Owners") will be the responsibility of Participants and other nominees of Beneficial Owners maintaining a relationship with Participants (the "Indirect Participants"). The County will not be responsible or liable for maintaining, supervising or reviewing the records maintained by the Depository, Participants or Indirect Participants.

If (i) the Bonds are not eligible for the services of the Depository, (ii) the Depository determines to discontinue providing its services with respect to the Bonds, or (iii) the County determines that a continuation of the system of book-entry transfers through the Depository ceases to be beneficial to the County or the Beneficial Owners, the County will either identify another similar depository to perform such functions or certificates for the Bonds will be delivered to the Beneficial Owners or their nominees, and the Beneficial Owners or their nominees, upon authentication of Bonds and registration of those Bonds in the Beneficial Owners' or nominees' names, will become the owners of the Bonds for all purposes. In that event, the County shall mail an appropriate notice to the Depository for notification to Participants, Indirect Participants and Beneficial Owners of the substitute Depository or the issuance of bond certificates to Beneficial Owners or their nominees, as applicable.

Officers of the County are authorized to sign agreements with the Depository relating to the matters set forth in this Section.

Notwithstanding any other provision of this Resolution, so long as all of the Bonds are registered in the name of the Depository or its nominee, all payments of principal, premium, if any, and interest on the Bonds, and all notices with respect to the Bonds, shall be made and given by the Registrar/Paying Agent to the Depository as provided in this Resolution and by the Depository to its Participants or Indirect Participants and notices to the Beneficial Owners of the Bonds in the manner provided in an agreement or letter of the County to the Depository.

Section 6. If the Registrar/Paying Agent initially appointed hereunder shall resign, or if the County shall reasonably determine that the Registrar/Paying Agent has become incapable of fulfilling its duties hereunder, the County may, upon notice mailed to each registered owner of the Bonds at the address last shown on the registration books, appoint a successor Registrar/Paying Agent. Every such successor Registrar/Paying Agent shall be a bank or trust company located in and in good standing in the United States and having a shareholders equity (e.g., capital stock, surplus and undivided profits), however denominated, of not less than \$10,000,000.

Section 7. Subject to the registration provisions hereof, the Bonds hereby authorized shall be fully negotiable and shall have all the qualities of negotiable paper, and the registered owner or owners thereof shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code.

Section 8. The Bonds shall be in substantially the following form:

[Form of Bond]

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF NEW MEXICO
SANDOVAL COUNTY, NEW MEXICO
GENERAL OBLIGATION BONDS
SERIES 2015

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Series Date</u>	<u>CUSIP</u>
_____ % per annum	August 1, 20____	_____, 2015	_____

The Board of County Commissioners (the "Board") on the faith, credit and behalf of Sandoval County, New Mexico (the "County"), for value received, hereby promises to pay to the registered owner named above, or registered assigns, the principal amount hereof on the Maturity Date and to pay interest on the principal amount at the Interest Rate on August 1, 2015, and thereafter on February 1 and August 1 of each year (the "Interest Payment Date") from the Series Date to its maturity. The principal of the bonds of the series of which this is one (the "Bonds") and interest due at maturity shall be payable to the registered owner thereof as shown on the registration books kept by BOKF, NA dba Bank of Albuquerque, Albuquerque, New Mexico as registrar/paying agent (the "Registrar/Paying Agent") for the Bonds, upon maturity and upon presentation and surrender thereof at the principal office of the Registrar/Paying Agent. If any Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by the Bond until the principal thereof is paid in full. Payment of interest on the Bonds (other than at maturity) shall be made by check or draft mailed by the Registrar/Paying Agent (or by such other arrangement as may be mutually agreed to by the Registrar/Paying Agent and such registered owner), on or before each Interest Payment Date (or, if such Interest Payment Date is not a business day, on or before the next succeeding business day), to the registered owner thereof as of the close of business on the Record Date (defined below) at his or her address as it appears on the registration books kept by the Registrar/Paying Agent. All such payments shall be made in lawful money of the United States of America. The term "Record Date" as used herein with respect to any Interest Payment Date shall mean the 15th day of the month preceding the Interest Payment Date. The person in whose name any Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable thereon on such Interest Payment Date notwithstanding any transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date; but interest on any Bond which is not timely paid or duly provided for shall cease to be payable as provided above and shall be payable to the person in whose name such Bond is registered at the close of business on a special record date (the "Special Record

Date”) fixed by the Registrar/Paying Agent for the payment of any such overdue interest. The Special Record Date shall be fixed by the Registrar/Paying Agent whenever moneys become available for payment of overdue interest, and notice of any such Special Record Date shall be given not less than ten days prior thereto, by first-class mail, to the registered owners of the Bonds as of the fifth day preceding the mailing of such notice by the Registrar/Paying Agent, stating the Special Record Date and the date fixed for the payment of overdue interest. If the Bonds are issued in book-entry only form, an authorized officer of the County and the applicable securities depository may make other arrangements for the payments on the Bonds.

The Bonds are fully registered and are issuable in denominations of \$5,000 and any integral multiple thereof (provided that no individual bond may be issued for more than one maturity).

The series of Bonds of which this bond is one is limited to the total principal amount of \$5,250,000 of like tenor except as to number, denomination, maturity date, and interest rate, issued by Sandoval County, New Mexico. The Bonds represent the single and final series of general obligation bonds approved by the qualified electors of the County at an election held on November 4, 2015 to provide funds for (1) new books, equipment, building repairs and other capital expenditures at the County’s libraries, and (2) new telecommunications equipment across the County.

The Bonds are issued under the authority of and in full conformity with the Constitution and laws of the State of New Mexico (particularly Sections 4-49-1 et seq., NMSA 1978, Sections 6-15-1 through 6-15-22 NMSA 1978, and acts amendatory and supplemental thereto), and pursuant to the resolution of the Board authorizing the sale of the Bonds to the purchaser therefore and duly adopted on April 2, 2015 (the “Sale Resolution”).

The Bonds maturing on and after August 1, 20__, may be redeemed prior to their scheduled maturity on August 1, 20__, or on any date thereafter, in whole or in part, at the option of the County at par plus accrued interest to the date of redemption.

The Registrar/Paying Agent will maintain the books of the County for the registration of ownership of the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver, not more than three business days after receipt of the Bond to be transferred, in the name of the transferee or transferees, a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver, not more than three business days after receipt of the Bond to be exchanged, a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein

provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment by the owner of any Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

The person in whose name any Bond shall be registered on the registration books kept by the Registrar/Paying Agent shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided with respect to payment of overdue interest; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar/Paying Agent shall, upon receipt of the mutilated Bond and such evidence, information or indemnity relating thereto as the Registrar/Paying Agent may reasonably require and as may be required by law, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar/Paying Agent may pay such Bond in lieu of replacement.

For the punctual payment of the principal of and interest on this bond as aforesaid and for the levy and collection of taxes in accordance with the statutes authorizing the issuance of this bond, the full faith and credit of the County is hereby irrevocably pledged. The Board has, by the Sale Resolution, ordered the creation of an interest and sinking fund for the payment of the Bonds. Such fund is to be held in trust for the benefit of the owner or owners of the Bonds.

It is hereby certified, recited and warranted that all the requirements of law have been complied with by the proper officials of the County in the issuance of this bond; that the total indebtedness of the County, including that of this bond, does not exceed any limit of indebtedness prescribed by the Constitution or laws of the State of New Mexico; that provision has been made for the levy and collection of annual taxes sufficient to pay the principal of and the interest on this bond when the same become due. This bond shall not be valid or obligatory for any purpose until the Registrar/Paying Agent shall have manually signed the certificate of authentication hereon.

IN TESTIMONY WHEREOF, the Board of County Commissioners of Sandoval County, New Mexico constituting the governing board of the County, has caused this bond to be signed and executed with the manual or facsimile signature of the Chair of the Board and subscribed and attested with the manual or facsimile signature of the Sandoval County Clerk, all as of the Series Date.

[County Seal]

Darryl F. Madalena, Chair
Board of County Commissioners
Sandoval County, New Mexico

Attest:

Eileen Garbagni, County Clerk
Sandoval County, New Mexico

[Form of Registrar’s Certificate of Authentication]

Certificate of Authentication

This is one of the Bonds described in the Bond Legislation, and this bond has been registered on the registration books kept by the undersigned as Registrar for the Bonds.

Date of Authentication: _____

BOKF, N.A. dba Bank of Albuquerque,
as Registrar and Paying Agent

By _____
Authorized Officer

[End of Form of Registrar’s Certificate of Authentication]

[Form of Assignment]

Assignment

For value received, _____ hereby sells, assigns and transfer unto _____ the within bond and hereby irrevocably constitutes and appoints _____ attorney, to transfer the same on the books of the Registrar, with full power of substitution in the premises.

Social Security or Tax Identification No. of Assignee _____

Dated: _____

NOTE: The assignor’s signature to this Assignment must correspond with the name as written on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

[End of Form of Assignment]

[End of Form of Bond]

Section 9. When the Bonds have been duly executed and authenticated, they shall be delivered to the Underwriter named in Section 1 of this Resolution. \$5,250,000 in principal amount of the Bonds, representing the first and final series of general obligation bonds approved by the qualified electors of the County at an election held on November 4, 2015 shall be applied as follows (1) \$3,250,000 to new books, equipment, building repairs and other capital expenditures at the County’s libraries, and (2) \$2,000,000 to new telecommunications equipment across the County. The Underwriter shall in no manner be responsible for the application of or disposal by the County, or any of its officers, of any of the funds derived from the sale thereof.

Section 10. There shall be levied on all taxable property within the County, at the time and in the manner provided by law, in addition to all other taxes, direct annual ad valorem taxes sufficient to pay the principal of and interest accruing on the Bonds promptly as the same shall

become due. This Resolution is hereby declared to be the certificate of the Board, as to the amount of taxes necessary to be levied for the purposes herein stated and said taxes shall be certified, levied and extended upon the tax rolls and collected in the same manner, at the same time and subject to the same penalties as general state and county taxes are certified, levied and collected. The taxes, when collected, shall be kept by the County in the County's interest and sinking fund for the County's general obligation bonds to be used solely for the purpose of paying the principal of and interest on the County's general obligation bonds as the same become due or mature; provided that nothing herein contained shall be so construed as to prevent the application of any other funds belonging to the County and available for that purpose, to the payment of the Bonds or the interest thereon, as the same become due and upon such payment the levy or levies of tax provided for in this Section may thereupon to that extent be diminished. If the taxes herein provided for shall not be levied or collected in time to pay the interest on or principal of the Bonds as the same become due or mature, then such interest or principal shall be paid from any other funds belonging to the County, which funds may be reimbursed from the taxes herein provided for when the same are collected.

Section 11. The Chair of the Board, County Clerk, County Treasurer and other officers and employees of the County are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution, including without limiting the generality of the foregoing, the printing of the Bonds, the execution of letters and agreements with the Depository, the printing and execution of disclosure documents relating to the Bonds, the deposit of Bond proceeds as provided in this Resolution, the payment of the costs of issuance of the Bonds, and such certificates as may be required by the Underwriter or bond counsel relating to, among other things, the signing of the Bonds, the tenure and identity of County officials, the receipt of the purchase price of the Bonds from the Underwriter and the absence of litigation, pending or threatened, if in accordance with the facts, affecting the validity thereof and the absence and existence of factors affecting the exclusion of interest on the Bonds from gross income for federal income tax purposes.

In order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), at the time of delivery of the Bonds, the County will undertake, pursuant to a written continuing disclosure agreement, to provide annual financial information and notices of certain events as specified in that continuing disclosure agreement.

Section 12. The County covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary so that the Bonds will not constitute arbitrage bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). The Chair of the Board, the County Treasurer and any other officer of the County having responsibility for the issuance of the Bonds shall give an appropriate certificate of the County, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the County regarding the amount and use of all the proceeds of the Bonds, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of interest on the Bonds.

The County covenants that it (a) will take or cause to be taken such actions which may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and (b) will not take or permit to be taken any actions which would adversely affect that exclusion, and that it, or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield, as required, on investment property acquired with those proceeds, (iii) make timely rebate payments, if required, to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. The Chair of the Board, the County Treasurer and other officers of the County are hereby authorized and directed to take any and all actions, make calculations and rebate payments, and make or give reports and certifications, as may be appropriate to assure such exclusion of that interest.

Section 13. Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a “Defeased Bond”) hereunder when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity, upon redemption, or other) either (a) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption), or (b) shall have been provided for on or before such due date by irrevocably depositing with or making available to a qualified depository for such payment (i) lawful money of the United States of America sufficient to make such payment or (ii) Government Obligations which mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment (as verified by a certified or registered public accountant), and when proper arrangements have been made by the County with a qualified depository for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of the ad valorem taxes herein levied and pledged as provided in this ordinance, and such principal and interest shall be payable solely from such money or Government Obligations.

Any moneys so deposited with the qualified depository may, at the written direction of the County, also be invested and re-invested in Government Obligations, maturing in the amounts and times required to make payments when due on the Defeased Bonds, and all income from such Government Obligations received by the qualified depository which is not required for the payment of the Defeased Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the County for use in accordance with law. The term “Government Obligations” means direct obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America which may be United States Treasury Obligations such as its State and Local Government Series, which may be in book-entry form.

Section 14. Moneys in any fund not immediately needed may be invested as provided by state law and applicable federal statutes and regulations, provided that the Board and the County hereby covenant to the purchasers and the holders of the Bonds from time to time that the County will make no use of the proceeds of the Bonds or any funds reasonably expected to be used to pay the principal of or interest on the Bonds which will cause the Bonds to be arbitrage bonds within the meaning of Section 148 of the Code, as amended, or which would adversely affect the tax status of interest on the Bonds under the Code. This covenant is for the benefit of the purchasers and the holders of the Bonds from time to time.

Section 15. After any of the Bonds have been issued, this Resolution shall constitute a contract between the County and the holder or holders of the Bonds and shall be and remain irrevocable and unalterable until the Bonds and the interest thereon shall have been fully paid, satisfied and discharged, defeased or until such payment has been duly provided for.

Section 16. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 17. The following notice shall be published one time in a newspaper having general circulation in the County as soon as is practicable following the adoption hereof:

[Form of Notice]

LEGAL NOTICE

NOTICE IS HEREBY GIVEN that the Board of County Commissioners of Sandoval County, New Mexico did, on the 2nd day of April, 2015, adopt a resolution entitled:

SANDOVAL COUNTY, NEW MEXICO

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF THE SANDOVAL COUNTY, NEW MEXICO, GENERAL OBLIGATION BONDS, SERIES 2015, IN THE PRINCIPAL AMOUNT OF \$5,250,000 PAYABLE FROM AD VALOREM TAXES LEVIED ON ALL TAXABLE PROPERTY WITHIN THE COUNTY, LEVIED WITHOUT LIMIT AS TO RATE OR AMOUNT; PROVIDING FOR THE FORM, TERMS AND CONDITIONS OF THE BONDS, THE MANNER OF THEIR EXECUTION, AND THE METHOD OF AND SECURITY FOR PAYMENT; PROVIDING FOR THE SALE OF THE BONDS TO THE UNDERWRITER AND THE PRICE TO BE PAID BY THE UNDERWRITER FOR THE BONDS; AND PROVIDING FOR OTHER DETAILS CONCERNING THE BONDS.

The Resolution directs and authorizes the issuance of Sandoval County, New Mexico, General Obligation Bonds, Series 2015 in the aggregate principal amount of \$5,250,000, to be issued to provide funds for (1) new books, equipment, building repairs and other capital expenditures at the County's libraries, and (2) new telecommunications equipment across the County.

Complete copies of the Resolution are available for public inspection during normal and regular business hours at the office of the Sandoval County Clerk, 1500 Idalia Road, Building D, Bernalillo, New Mexico. This notice constitutes compliance with Section 6-14-6, NMSA 1978.

[End Form of Notice]

Section 18. All acts and resolutions in conflict or inconsistent with this Resolution are hereby rescinded, annulled and repealed, but only to the extent of such conflict or inconsistency.

PASSED, ADOPTED AND APPROVED this 2nd day of April, 2015.

BOARD OF COUNTY COMMISSIONERS
SANDOVAL COUNTY, NEW MEXICO

[County Seal]

By: _____
Darryl F. Madalena, Chair

ATTEST:

By: _____
Eileen Garbagni, County Clerk

Board Member _____ then seconded the adoption of the foregoing resolution.

The motion to adopt the resolution upon being put to a vote was passed and adopted on the following recorded vote:

Those Voting Aye: _____

Those Voting Nay: _____

_____ () members of the Board having voted in favor of the motion, the presiding officer declared the motion carried and the resolution adopted, whereupon the Chair of the Board and County Clerk signed the foregoing proceedings and resolution upon the records of the minutes of the Board.

After transaction of other business not related to the bond issue, the Board, upon motion duly made, seconded and carried, adjourned the meeting.

BOARD OF COUNTY COMMISSIONERS
SANDOVAL COUNTY, NEW MEXICO

By: _____
Darryl F. Madalena, Chair

ATTEST:

By: _____
Eileen Garbagni, County Clerk

BOND PURCHASE AGREEMENT

§ _____
SANDOVAL COUNTY, NEW MEXICO
General Obligation Bonds, Series 2015

April 2, 2015

County Manager and County Commission
Sandoval County, New Mexico
1500 Idalia Road, Building D
Bernalillo, New Mexico 87004

Ladies and Gentlemen:

Robert W. Baird & Co., Incorporated (the “Underwriter”), acting on its own behalf and not acting as a fiduciary or agent for Sandoval County, New Mexico (the “Issuer”) offers to enter into this bond purchase agreement (the “Agreement”) with the Issuer which, upon the Issuer’s written acceptance of this offer, will be binding upon the Issuer and upon the Underwriter. This offer is made subject to the Issuer’s written acceptance hereof on or before midnight, prevailing Mountain Time, on April 2, 2015. If not so accepted, the Agreement may be withdrawn by the Underwriter upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Terms not otherwise defined in this Agreement shall have the same meanings set forth in Resolution No. 2014-__ adopted by the Sandoval County Commission on April 2, 2015 (the “Resolution”) or in the Official Statement dated April 2, 2015, prepared with respect to the Bonds (as defined in Section 2 hereof).

Section 1. *Terms of the Bonds.* The Bonds shall mature and bear interest as described in **Exhibit “A”** attached hereto and incorporated hereunder by reference. All other terms of the Bonds shall be as set forth in the Resolution.

Section 2. *Purchase and Sale of the Bonds.* Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all, but not less than all, of the Issuer’s \$ _____ General Obligation Bonds, Series 2015 (the “Bonds”).

The purchase price for the Bonds shall be \$ _____ (which is equal to the par amount of the Bonds of \$ _____, plus [net] original issue premium in the amount of \$ _____, and less an Underwriter’s discount of \$ _____).

Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm’s length, commercial transaction between the Issuer and the Underwriter in which the

Underwriter is acting solely as principal and is not acting as municipal advisor, financial advisor or fiduciary to the Issuer; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iii) the Underwriter is acting solely in its capacity as underwriter for its own account; (iv) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby are expressly set forth in this Agreement; and (v) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

Section 3. *Public Offering.* The Underwriter agrees to make a bona fide public offering of the Bonds at the initial offering prices or yields as set forth in **Exhibit "A"** attached hereto, and on the inside front cover of the final Official Statement of the Issuer dated April 2, 2015 relating to the Bonds, except that the Underwriter may offer and sell the Bonds at lower prices to certain dealers, unit investment trusts, money market funds and other institutional purchasers. Following the initial offering, the offering prices or yields may be changed from time to time by the Underwriter. The Underwriter shall comply with the rules of the Municipal Securities Rulemaking Board (the "MSRB").

Section 4. *The Official Statement.*

(a) The Issuer previously has delivered, or caused to be delivered, to the Underwriter, the Preliminary Official Statement dated March __, 2015 (the "Preliminary Official Statement") in a "designated electronic format," as defined in MSRB Rule G-32 ("Rule G-32"). The Issuer will prepare, or cause to be prepared, a final Official Statement relating to the Bonds, which will be (i) dated the date of this Agreement, (ii) complete within the meaning of the United States Securities and Exchange Commission's Rule 15c2-12, as amended (the "Rule"), (iii) in a "designated electronic format," and (iv) substantially in the form of the most recent version of the Preliminary Official Statement provided to the Underwriter before the execution hereof. Such final Official Statement, including the cover page thereto, all exhibits, schedules, appendices, maps, charts, pictures, diagrams, reports, and statements included or incorporated therein or attached thereto, and all amendments and supplements thereto that may be authorized for use with respect to the Bonds, is herein referred to as the "Official Statement." Until the Official Statement has been prepared and is available for distribution, the Issuer shall provide to the Underwriter sufficient quantities (which may be in electronic format) of the Preliminary Official Statement as the Underwriter deems reasonably necessary to satisfy the obligation of the Underwriter under the Rule with respect to distribution to each potential customer, upon request, of a copy of the Preliminary Official Statement.

(b) The Preliminary Official Statement has been prepared for use by the Underwriter in connection with the public offering, sale and distribution of the Bonds. The Issuer hereby represents and warrants that the Preliminary Official Statement has been deemed final by the Issuer as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of the Rule.

(c) The Issuer hereby authorizes the Official Statement and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The Issuer consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds. The Issuer shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the Issuer's acceptance of this Agreement (but, in any event, not later than within seven (7) business days after the Issuer's acceptance of this Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) the Official Statement which is complete as of the date of its delivery to the Underwriter. The Issuer shall provide the Official Statement, or cause the Official Statement to be provided, (i) in a "designated electronic format" consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall reasonably request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the MSRB.

(d) If, after the date of this Agreement, up to and including the date the Underwriter is no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) ninety (90) days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than twenty-five (25) days after the "end of the underwriting period" for the Bonds), the Issuer becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein, or necessary to make the statements therein in the light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as the Underwriter may from time to time reasonably request), and if, in the reasonable opinion of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Issuer will forthwith prepare and furnish, at the Issuer's own expense (in a form and manner approved by the Underwriter), either an amendment or a supplement to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein in the light of the circumstances under which they were made, not misleading. If such notification shall be subsequent to the Closing (defined herein), the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may deem reasonably necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement. The Issuer shall provide any such amendment or supplement, or cause any such amendment or supplement to be provided, in a "designated electronic format" consistent with the requirements of Rule G-32.

(e) The Underwriter hereby agrees to timely file the Official Statement with the MSRB through its Electronic Municipal Market Access ("EMMA") system. Unless otherwise notified in writing by the Underwriter, the Issuer can assume that the "end of the underwriting period" for purposes of the Rule is the date of the Closing.

Section 5. *Representations, Warranties, and Covenants of the Issuer.* The Issuer hereby represents and warrants to and covenants with the Underwriter that:

(a) The Issuer is a political subdivision and incorporated county duly created, existing and operating under the laws of the State of New Mexico (the “State”), and has full legal right, power and authority, and at the date of the Closing will continue to have full legal right, power and authority, under Sections 4-49-1 through 4-49-21 NMSA 1978 and Sections 6-15-1 through 6-15-22 NMSA 1978 (collectively, the “Act”), other applicable New Mexico law and the Resolution: (i) to enter into, execute and deliver this Agreement, the Continuing Disclosure Undertaking dated as of the Closing (the “Undertaking”), and all other documents required to be executed and delivered by the Issuer pursuant to such documents (this Agreement, the Resolution, the Undertaking and the other documents referred to in this clause (i) are hereinafter referred to as the “Issuer Documents”); (ii) to sell, issue and deliver the Bonds to the Underwriter as provided herein; and (iii) to carry out and consummate the transactions contemplated by the Issuer Documents and the Official Statement; and the Issuer has complied, and will at the Closing be in compliance in all respects, with the terms of the Act and the Issuer Documents as they pertain to such transactions;

(b) By all necessary official action of the Issuer taken prior to or concurrently with the acceptance of this Agreement, the Issuer has duly authorized all necessary action to be taken by it for: (i) the adoption of the Resolution and the issuance and sale of the Bonds; (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part contained in the Bonds and the Issuer Documents; and (iii) the consummation by it of all other transactions contemplated by the Official Statement, the Issuer Documents and any and all such other agreements and documents as may be required in order to carry out, give effect to, and consummate the transactions contemplated hereby and by the Official Statement;

(c) The Issuer Documents and the Bonds (when issued, delivered and paid for in accordance with the Resolution and this Agreement) constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors’ rights, and subject to general principles of equity which permit the exercise of judicial discretion; and upon the issuance, authentication and delivery of the Bonds, the Resolution will provide, for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding general obligation it purports to create as set forth in the Resolution;

(d) To its knowledge, on the date hereof and on the date of the Closing, the Issuer is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree that would have a material adverse effect upon the financial condition of the Issuer; or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is otherwise subject, and no event has occurred and is continuing which constitutes, or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Issuer under any of the foregoing; and the execution and delivery of the Bonds and the Issuer Documents and the adoption of the

Resolution and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, law or administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is subject;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matters which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Issuer Documents and the Bonds have been duly obtained, or will be obtained prior to Closing, except for such approvals, consents and orders as may be required under the blue sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds;

(f) The Bonds generally conform to the description thereof contained in the Official Statement under the captions "THE BONDS" and "SECURITY AND REMEDIES," the proceeds of the sale of the Bonds will be applied generally as described in the Official Statement under the captions "PURPOSE AND PLAN OF FINANCING" and "SOURCES AND USES OF FUNDS" and the Continuing Disclosure Undertaking conforms to the description thereof contained in the Official Statement under the caption "CONTINUING DISCLOSURE INFORMATION."

(g) Except as disclosed in the Official Statement, during the last five (5) years, the Issuer has complied in all material respects with its previous Continuing Disclosure Undertakings made by it in accordance with the Rule;

(h) On the date hereof and on the date of the Closing, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the knowledge of the Issuer, threatened against the Issuer, affecting the existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds pursuant to the Resolution or in any way contesting or affecting the validity or enforceability of the Bonds or the Issuer Documents, or contesting the excludability of the interest on the Bonds from gross income for federal income tax purposes or from net income for State income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any supplement or amendment thereto, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Resolution or the execution and delivery of the Issuer Documents, nor, to the knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Issuer Documents;

(i) As of its date, to the knowledge of the Issuer, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(j) As of its date and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 4 of this Agreement) at all times subsequent thereto during the period up to and including the twenty-fifth (25th) day subsequent to the “end of the underwriting period,” the Official Statement, to the knowledge of the Issuer, does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(k) If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 4 of this Agreement, at the time of each supplement or amendment thereto, and (unless subsequently supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the twenty-fifth (25th) day subsequent to the “end of the underwriting period,” the Official Statement, as so supplemented or amended, to the knowledge of the Issuer, will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which made, not misleading;

(l) The Issuer will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Resolution and not take or omit to take any action which action or omission will adversely affect the excludability of the interest on the Bonds from gross income for federal income tax purposes or from net income for State income tax purposes;

(m) The Issuer will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request: (1) to (a) qualify the Bonds for offer and sale under the blue sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (b) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions; and (2) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction). The Issuer will advise the Underwriter immediately of receipt by the Issuer of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(n) The financial statements of the Issuer and the other financial information regarding the Issuer contained in the Official Statement fairly present the financial position of the Issuer as of the dates and for the periods set forth in the Official Statement. Prior to the Closing, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer;

(o) Except as may be disclosed in the Official Statement, to the knowledge of the Issuer, the Issuer is not a party to any litigation or other proceeding pending or, to the Issuer’s knowledge, threatened, which, if decided adversely to the Issuer, would have a materially adverse effect on the financial condition or operations of the Issuer;

(p) Prior to the Closing, the Issuer will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by the full faith and credit of the Issuer, without first providing notice to the Underwriter;

(q) The Issuer, to the extent heretofore requested by the Underwriter, has delivered to the Underwriter true, correct, complete, and legible copies of all information, applications, reports, or other documents of any nature whatsoever submitted to any rating agency for the purpose of obtaining a rating for the Bonds or to any municipal bond insurance company to obtain a municipal bond insurance policy on the Bonds, if any, and, in each instance, true, correct, complete, and legible copies of all correspondence or other communications relating, directly or indirectly, thereto;

(r) Any certificate, signed by any official of the Issuer authorized to do so in connection with the transactions contemplated by this Agreement, shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made therein; and

(s) The Issuer covenants that between the date hereof and the date of the Closing it will take no action which will cause the representations and warranties made in this Section to be untrue as of the date of the Closing.

By delivering the Official Statement to the Underwriter, the Issuer shall be deemed to have reaffirmed, with respect to such Official Statement, the representations, warranties and covenants set forth above with respect to the Preliminary Official Statement.

Section 6. *Closing.*

(a) At 10:00 a.m., prevailing mountain time, on May 7, 2015, at the offices of Modrall, Sperling, Roehl, Harris & Sisk, P.A., acting as Bond Counsel to the Issuer (“Bond Counsel”) and as special counsel to the Issuer in connection with the preparation of the Official Statement (“Special Counsel”), or at such other time, date and place as shall have been mutually agreed upon by the Issuer and the Underwriter (the “Closing”), the Issuer will, subject to the terms and conditions hereof, deliver the Bonds to the Underwriter duly executed and authenticated, together with the other documents hereinafter mentioned, and the Underwriter will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Bonds as set forth in Section 2 of this Agreement by wire transfer payable in immediately available funds to the order of the Issuer.

(b) Delivery of the Bonds shall be made to The Depository Trust Company, New York, New York (“DTC”). The Bonds, bearing CUSIP numbers, shall be delivered in definitive fully registered form with one Bond for each maturity, registered in the name of Cede & Co., all as provided in the Resolution. The Bonds shall be made available to the Underwriter at least one (1) business day before the Closing for purposes of inspection.

Section 7. *Closing Conditions.* The Underwriter has entered into this Agreement in reliance upon the representations, warranties and agreements of the Issuer contained herein, and in reliance upon the representations, warranties, and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter's obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and also shall be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriter:

(a) The representations and warranties of the Issuer contained herein shall be true, complete and correct on the date hereof and on the date of the Closing;

(b) Prior to or at the Closing, the Issuer shall have performed and complied with all agreements and conditions required by this Agreement;

(c) At the time of the Closing, (i) the Issuer Documents and the Bonds shall be in full force and effect and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except as may have been agreed to by the Underwriter, (ii) the net proceeds of the sale of the Bonds and any funds to be provided by the Issuer shall be deposited and applied as described in the Official Statement and in the Resolution and (iii) all actions required to be taken by the Issuer shall be performed in order for Bond Counsel, Special Counsel, counsel to the Underwriter and counsel to the Issuer to deliver their respective opinions;

(d) At the time of the Closing, all official action of the Issuer relating to the Bonds and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been approved by the Underwriter;

(e) At or prior to the Closing, the Issuer Documents shall have been duly executed, as applicable, and delivered by the Issuer and the Bonds shall have been duly executed and delivered by the Issuer and duly authenticated by the Registrar;

(f) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, of the Issuer, from that set forth in the Official Statement that, in the judgment of the Underwriter, is material and adverse and that makes it, in the judgment of the Underwriter, impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement;

(g) The Issuer shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(h) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in legal form and effect to the Underwriter;

(i) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(1) the Official Statement, and each supplement and amendment thereto, if any, executed on behalf of the Issuer by the Chairman of the County Commission;

(2) the Resolution (with such supplements or amendments as may have been agreed to by the Underwriter or counsel to the Underwriter);

(3) the Undertaking executed by the Issuer;

(4) the approving opinion of Bond Counsel with respect to the Bonds, in substantially the form attached as Appendix A to the Official Statement, and accompanied by a letter from Bond Counsel, dated the date of closing and addressed to the Underwriter, stating that such opinions may be relied upon by the Underwriter to the same extent as if they were addressed to it;

(5) An opinion, dated the date of the Closing and addressed to the Underwriter and the Issuer, of Special Counsel, to the effect that:

(i) the Bonds are exempt securities under Section 3(a)(2) of the Securities Act of 1933, as amended (the "1933 Act"), and under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and it is not necessary, in connection with the offering and sale of the Bonds, to register the Bonds under the 1933 Act and the Resolution need not be qualified under the Trust Indenture Act; and

(ii) based upon their examination of certain laws and documents, participation in the preparation of the Official Statement as Special Counsel and their participation at conferences with various parties, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, nothing has come to the attention of the attorneys in the firm rendering legal services in connection with their representation that led them to believe that the Official Statement, as of its date (except for the financial statements, demographic, economic, engineering and statistical data and any statements of trends, forecasts, estimates, projections, assumptions, or any expressions of opinion and information concerning DTC contained in the Official Statement and its Appendices, as to which

no view need be expressed), contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading;

(6) An opinion, dated the date of the Closing and addressed to the Underwriter, of counsel to the Underwriter, to the effect that:

(i) the Bonds are exempt securities under the 1933 Act and the Trust Indenture Act and it is not necessary, in connection with the offering and sale of the Bonds, to register the Bonds under the 1933 Act and the Resolution is not required to be qualified under the Trust Indenture Act; and

(ii) based upon their participation in the preparation of the Official Statement as counsel to the Underwriter and their participation at conferences at which the Official Statement was discussed, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, such counsel has no reason to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for any financial, forecast, technical and statistical statements and data included in the Official Statement and the information regarding DTC and its book-entry-only system, as to which no view need be expressed);

(7) an opinion, dated the date of the Closing and addressed to the Underwriter, Bond Counsel and Special Counsel, of the Issuer's Counsel, substantially in the form attached hereto as **Exhibit "B"**;

(8) a certificate, dated the date of the Closing, of the Issuer to the effect that (i) the representations and warranties of the Issuer contained herein are true and correct in all material respects on the date of the Closing; (ii) no litigation or proceeding against the Issuer is pending or, to its knowledge, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Issuer, (c) contest the validity, due authorization and execution of the Bonds or the Issuer Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the Issuer from functioning and collecting revenues, pursuant to the Resolution; (iii) the Resolution authorizing the execution, delivery and/or performance of the Official Statement, the Bonds and Issuer Documents has been duly adopted by the Issuer, is in full force and effect and has not been modified,

amended or repealed, and (iv) to its knowledge, no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement or which it is necessary to disclose therein in order to make the statements and information therein, in the light of the circumstances under which made, not misleading in any respect as of the time of the Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing, does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(9) A certificate of the Issuer in the form and substance satisfactory to Bond Counsel and counsel to the Underwriter (a) setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code, and (b) certifying that to the knowledge and belief of the Issuer there are no other facts, estimates or circumstances that would materially change the conclusions, representations and expectations contained in such certificate;

(10) evidence of a rating assigned to the Bonds of “__” from Moody’s Investors Service (“Moody’s”), and that such rating is in effect as of the date of the Closing;

(11) any other certificates and opinions required by the Resolution for the issuance of the Bonds thereunder; and

(12) such additional legal opinions, certificates, instruments and other documents as Bond Counsel, Special Counsel, the Underwriter or counsel to the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Issuer’s representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the Issuer.

All of the opinions, letters, certificates, instruments and other documents listed above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance satisfactory to the Underwriter.

If the Issuer shall be unable to satisfy the conditions contained in this Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate

and neither the Underwriter nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriter set forth in Sections 5 and 9 hereof shall continue in full force and effect.

Section 8. *Termination.* The Underwriter shall have the right to cancel the Underwriter's obligation to purchase the Bonds if, between the date of this Agreement and the Closing, the market price or marketability of the Bonds shall be materially adversely affected, in the sole judgment of the Underwriter, by the occurrence of any of the following:

(a) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the United States Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Resolution is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities laws as amended and then in effect;

(b) any state blue sky or securities commission or other governmental agency or body in any state in which more than 15% of the Bonds have been sold shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(c) a general suspension of trading in securities on the New York Stock Exchange, the establishment of minimum prices on such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, or a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(d) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(e) any amendment to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Issuer, its property, income or securities (or interest thereon);

(f) any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or

necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(g) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the Issuer, except for expected changes disclosed in the Official Statement;

(h) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other new material outbreak or escalation of hostilities or a new material national or international emergency, calamity or crisis, financial or otherwise affecting the United States;

(i) any fact or event shall exist or have existed that, in the Underwriter's judgment, requires or has required an amendment of or supplement to the Official Statement and the Issuer has refused the request of the Underwriter to amend or supplement the Official Statement to reflect such fact or event;

(j) there shall have occurred, or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in the credit watch status by any national rating service to the Issuer's rating assigned to the Bonds; and

(k) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

Section 9. *Expenses.*

(a) The Underwriter shall be under no obligation to pay, and the Issuer shall pay, any expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to: (i) the cost of preparation and printing of the Preliminary Official Statement, the Official Statement and the Bonds; (ii) the fees and disbursements of any engineers, accountants, and other experts, consultants or advisers retained by the Issuer, (iii) the fees and disbursements of the financial advisor to the Issuer, Bond Counsel and Special Counsel; (iv) the fees for bond ratings; and (v) other costs associated with the issuance of the Bonds.

(b) The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

(c) The Underwriter shall pay: (i) the cost of preparation and printing of this Agreement, the blue sky survey and legal investment memorandum, if any; (ii) all advertising expenses in connection with the public offering of the Bonds; (iii) all other expenses incurred by the Underwriter in connection with the public offering of the Bonds; (iv) travel and other expenses incurred by employees of the Underwriter in connection with the public offering of the Bonds; and (v) fees and disbursements of counsel retained by the Underwriter.

Section 10. *Notices.* Any notice or other communication to be given to the Issuer under this Agreement may be given by delivering the same in writing at its address set forth above, Attention: County Manager and any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to Robert W. Baird & Co., Incorporated, 210 University Blvd., Suite 460, Denver, Colorado 80206, Attention: Brian Kelso, Managing Director.

Section 11. *Parties in Interest.* This Agreement as heretofore specified shall constitute the entire agreement between the Underwriter and the Issuer and is made solely for the benefit of the Issuer and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. This Agreement may not be assigned by the Issuer. All of the Issuer's representations, warranties and agreements contained in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriter, (ii) delivery of and payment for the Bonds pursuant to this Agreement, and (iii) any termination of this Agreement.

Section 12. *Effectiveness.* This Agreement shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable in accordance with its terms at the time of such acceptance.

Section 13. *Choice of Law.* This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 14. *Severability.* If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

Section 15. *Business Day.* For purposes of this Agreement, "business day" means any day on which the New York Stock Exchange is open for trading.

Section 16. *Section Headings.* Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

Section 17. *Counterparts.* This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

[signature page follows]

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Underwriter. This Agreement shall become a binding agreement between the Issuer and the Underwriter when at least one counterpart of this Agreement shall have been signed by or on behalf of each of the parties hereto.

Respectfully submitted,

ROBERT W. BAIRD & CO., INCORPORATED

By _____
Authorized Officer

ACCEPTED on April 2, 2015 at _____ p.m. prevailing Mountain Time.

SANDOVAL COUNTY, NEW MEXICO

By _____
Chairman, County Commission

EXHIBIT "A"

Maturity Schedule

<u>Maturity Date</u> <u>(August 1)</u>	<u>Par Amount</u>	<u>Coupon</u>	<u>Yield</u>
2015	\$	%	%
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			

EXHIBIT "B"

Form of Issuer's Counsel Opinion

[County letterhead]

May __, 2015

Robert W. Baird & Co., Incorporated
First American Financial Advisors
Modrall, Sperling, Roehl, Harris & Sisk, P.A.

Re:\$5,250,000 Sandoval County, New Mexico General Obligation Bonds, Series 2015

Ladies and Gentlemen:

I have acted as counsel for Sandoval County, New Mexico (the "Issuer") in connection with the issuance and sale of its \$5,250,000 Sandoval County, New Mexico General Obligation Bonds, Series 2015 (the "Bonds").

In this connection, I have examined such records, documents, certificates, opinions and other matters as are in my judgment necessary or appropriate to enable me to render the opinions expressed herein, including, without limitation, the Act, the Bond Purchase Agreement, and the Resolution (all terms as defined in the Sale Resolution adopted by the Board on April 2, 2015).

This opinion is delivered to satisfy, in part, the requirements of Section 7(i)(7) of the Bond Purchase Agreement. Based on the foregoing examination, I am of the opinion that:

(A) The Issuer is duly organized and validly existing political subdivision of the State of New Mexico (the "State") under the Constitution and laws of the State.

(B) The Resolution was duly adopted by the Sandoval County Commission on April 2, 2015 in accordance with all applicable laws and has not been repealed or rescinded.

(C) The execution of the Bond Purchase Agreement, the Continuing Disclosure Undertaking and the Official Statement (collectively, the "Bond Documents") and the adoption of the Resolution by the Sandoval County Commission do not violate any provision of the Constitution or laws of the State of New Mexico.

(D) There is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to my knowledge, after due inquiry, threatened, against the Issuer, affecting the corporate existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Documents, or contesting the

excludability of the interest on the Bonds from gross income for federal income tax purposes or from net income for State income tax purposes, or contesting in any way the completeness or accuracy of the Bond Documents or any supplement or amendment thereto, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Resolution or the execution and delivery of the Bond Documents, nor, to my knowledge, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Bond Documents;

This opinion is limited to the matters expressly stated herein and is based on the assumptions and qualifications set forth herein and no further opinion may be inferred. This opinion is delivered to the addressees hereof in connection with the issuance of the Bonds, and the opinion and all conclusions stated herein may not be quoted or relied upon by any person other than the addressees hereof or for any purpose other than as stated herein without my prior written consent. I make no undertaking to supplement this opinion if facts or circumstances come to my attention or changes in the law occur after the date of this letter.

The foregoing opinions are limited to matters involving the law of the State and the Issuer, and I do not express any opinion as to the laws of any other jurisdiction.

Sincerely,

Patrick F. Trujillo
County Attorney

To: Sandoval County Commission

From: Phillip Rios, County Manager

Date: March 27, 2015

Re: \$5,250,000 Sandoval County, New Mexico General Obligation Bonds, Series 2015

Attached is a Preliminary Official Statement that has been prepared in connection with the issuance of the \$5,250,000 Sandoval County, New Mexico General Obligation Bonds, Series 2015 (the "Series 2015 Bonds"). The Preliminary Official Statement makes various disclosures about Sandoval County, New Mexico (the "County"), the Sale Resolution, and the Series 2015 Bonds. The Preliminary Official Statement will be reviewed by potential investors in the Series 2015 Bonds prior to pricing on April 2, 2015.

The Preliminary Official Statement is similar to those prepared for the County's general obligation bonds issued in previous years. The Preliminary Official Statement was prepared by the County's bond counsel, Modrall, Sperling, Roehl, Harris & Sisk, P.A. County staff has assisted by confirming and updating information, examining information for materiality, identifying additional information for inclusion, and reviewing financial and economic data.

Under regulations imposed by the U.S. Securities and Exchange Commission (the "SEC"), the Preliminary Official Statement must not contain any untrue statement of a material fact, or omit to state a material fact. A material fact is one that could influence an investor in making a decision to purchase the Series 2015 Bonds. The SEC recently increased emphasis on the quality of disclosures made in municipal bond offerings. The SEC has stated that responsibility for disclosures lies with the members of the governing body approving the issuance of municipal bonds, following this guiding principal:

"Public entities that issue securities are primarily liable for the content of their disclosure documents.... In addition to the government entity issuing municipal securities, public officials of the issuer who have ultimate authority to approve the issuance of securities and related disclosure documents have responsibilities under the federal securities laws as well. In authorizing the issuance of the securities and related disclosure documents, a public official may not authorize disclosure that the official knows to be false; nor may the public official authorize disclosure while recklessly disregarding facts that indicate that there is a risk that the disclosure may be misleading."

Although County staff and the finance and legal team collaborated in preparing the Preliminary Official Statement, please review it carefully. Please use extra care in reviewing the sections entitled "SECURITY AND REMEDIES," "DEBT AND OTHER FINANCIAL OBLIGATIONS," "TAX BASE" and "FINANCES OF THE COUNTY." Our review of the Preliminary Official Statement found no untrue statements of material facts or omissions of material facts about the County or the Series 2015 Bonds.

After reviewing the Preliminary Official Statement, please contact me if you have any questions about the disclosure process, or believe that the Preliminary Official Statement contains any inaccurate, incomplete or misleading information. Thank you.

CONTINUING DISCLOSURE UNDERTAKING

Section 1. Recitals. This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by the County Commission of Sandoval County, New Mexico (the “County”), in connection with the issuance of the Sandoval County, New Mexico General Obligation Bonds, Series 2015 (the “Bonds”). The Bonds are being issued pursuant to County Resolution No. 2015-__ adopted by the County Commission on April 2, 2015 (the “Sale Resolution”). Pursuant to the Sale Resolution, to allow the underwriter of the Bonds to comply with the Rule (defined below), the County is required to make certain continuing disclosure undertakings for the benefit of owners (including beneficial owners) of the Bonds (the “Owners”). This Undertaking is intended to satisfy the requirements of the Rule.

Section 2. Definitions.

(a) “Annual Financial Information” means the financial information (which will be based on financial statements prepared in accordance with generally accepted accounting principles, as in effect from time to time (“GAAP”), for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”)) and operating data with respect to the County, delivered at least annually pursuant to Sections 3(a) and 3(b) of this Undertaking, consisting of information of the type set forth under the captions “DEBT AND OTHER FINANCIAL OBLIGATIONS” and “FINANCES OF THE COUNTY” in the Official Statement.

(b) “Audited Financial Statements” means the County’s annual financial statements which financial statements have been audited as may then be required or permitted by the laws of the State.

(c) “EMMA” means the MSRB’s Electronic Municipal Market Access system located on its website at emma.msrb.org.

(d) “Event Information” means the information delivered pursuant to Section 3(d) of this Undertaking.

(e) “MSRB” means the Municipal Securities Rulemaking Board. The current address of the MSRB is 1900 Duke Street, Suite 600, Alexandria, Virginia 22314, telephone (703) 797-6600, fax (703) 797-6708.

(f) “Official Statement” means the Official Statement dated May 7, 2015, delivered in connection with the original issue and sale of the Bonds.

(g) “Report Date” means March 31 of each year, beginning in 2016.

(h) “Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, Section 240.15c2-12), as the same may be amended from time to time.

(i) “SEC” means the Securities and Exchange Commission.

(j) “State” means the State of New Mexico.

Section 3. Provision of Annual Financial Information and Reporting of Event Information.

(a) The County, or its designated agent, will provide the Annual Financial Information for the preceding fiscal year to EMMA on or before each Report Date while the Bonds are outstanding.

(b) If Audited Financial Statements are not provided as a part of the Annual Financial Information, the County will provide Audited Financial Statements to EMMA when and if available.

(c) The County, or its designated agent, may provide Annual Financial Information by specific reference to other documents, including information reports and official statements relating to other debt issues of the County, which have been submitted to EMMA or filed with the SEC; provided, however, that if the document so referenced is a “final official statement” within the meaning of the Rule, such final official statement must also be available from the MSRB.

(d) At any time the Bonds are outstanding and the County obtains knowledge of the occurrence of any of the following events with respect to the Bonds, the County shall file, in a timely manner not in excess of ten (10) business days after the occurrence of the event, a notice of such occurrence with EMMA:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(vii) modifications to rights of Bondholders, if material;

- (viii) bond calls, if material, or tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the Bond, if material; and
- (xi) rating changes.
- (xii) bankruptcy, insolvency, receivership or a similar event with respect to the District or an obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee, or a change of name of a trustee, if material.

(e) The County or its designated agent, will provide, in a timely manner not in excess of ten (10) business days after the occurrence of the event, to EMMA, notice of any: (i) failure of the County to timely provide the Annual Financial Information as specified in Sections 3(a) and 3(b); (ii) changes in its fiscal year-end; and (iii) amendment of this Undertaking.

Section 4. Method of Transmission. Unless otherwise required by law and subject to technical and economic feasibility, the County, or its designated agent, will employ such methods of electronic or physical information transmission as is requested or recommended from time to time by EMMA, the MSRB and the SEC.

Section 5. Enforcement. The obligations of the County under this Undertaking are for the benefit of the Owners. Each Owner is authorized to take action to seek specific performance by court order to compel the County to comply with its obligations under this Undertaking, which action will be the exclusive remedy available to it or any other Owner. The County's breach of its obligations under this Undertaking will not constitute an event of default under the Ordinance and none of the rights and remedies provided by the Ordinance will be available to the Owners with respect to such a breach.

Section 6. Term. The County's obligations under this Undertaking will be in effect from and after the issuance and delivery of the Bonds and will extend to the earliest of (i) the date all principal and interest on the Bonds has been paid or legally defeased pursuant to the terms of the Ordinance; (ii) the date on which the County is no longer an "obligated person" with respect to the Bonds within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this Undertaking are determined to be invalid or unenforceable by a court

of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

Section 7. Amendments. The County may amend this Undertaking from time to time, without the consent of any Owner, upon the County's receipt of an opinion of independent counsel experienced in federal securities laws to the effect that such amendment:

(a) is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the County;

(b) this Undertaking, as amended, would have complied with the Rule at the time of the initial issue and sale of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances; and

(c) the amendment does not materially impair the interests of the Owners.

Any Annual Financial Information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. If an amendment changes the accounting principles to be followed in preparing financial statements, the Annual Financial Information and Audited Financial Statements for the year in which the change is made will present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 8. Beneficiaries. This Undertaking binds and inures to the sole benefit of the County and the Owners and creates no rights in any other person or entity.

Section 9. Requesting Information. Persons seeking to obtain the Annual Financial Information, including the Audited Financial Statements, may obtain such information by contacting the County Manager at 1500 Idalia Road, Building D, Bernalillo, New Mexico 87004.

Section 10. Special Funds. This Undertaking is subject to the availability of necessary funds from annual Pledged Revenues (as defined in the Ordinance) and shall not constitute a general obligation of the County.

Section 11. Governing Law. This Undertaking is governed by and is to be construed in accordance with the law of the State.

Dated as of May 7, 2015.

SANDOVAL COUNTY, NEW MEXICO

By: _____
Darryl Madalena, Chair
Board of County Commissioners